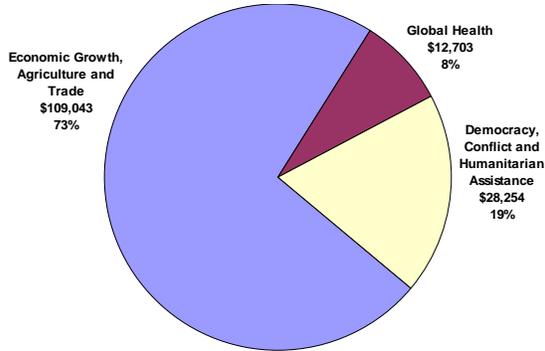
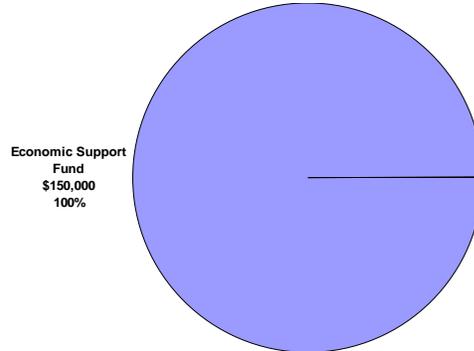


West Bank and Gaza

FY 2006 Assistance by Sector



FY 2006 Assistance by Account



Objectives and Budget

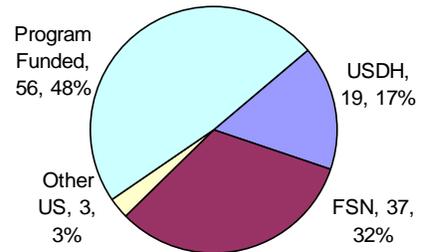
Objective	SO Number	FY 2004	FY 2005	FY 2006
Private Sector Development	294-001	13,950	7,649	23,000
Water Resources Development	294-002	22,808	31,943	51,000
Democracy and Governance	294-003	13,350	23,255	20,000
Higher Education and Training	294-005	2,250	700	14,000
Family Health	294-007	6,200	4,823	16,000
Community Services Program	294-008	16,000	1,430	19,000
Program Support Objective	294-009		4,600	7,000
Total (in thousands of dollars)		74,558	74,400	150,000

Excludes P.L. 480. See Program Annex.

Administrative Expenses and Workforce

Administrative Expenses	FY 2004	FY 2005	FY 2006
Mission Allocation	5,459	5,501	5,901
USDH Salaries & Benefits	2,790	2,873	2,935
Program Funds	4,774	4,774	4,774
Total (in thousands of dollars)	13,023	13,148	13,610

FY 2006 Workforce



Mission Director: James Bever

West Bank and Gaza

The Development Challenge: USAID/West Bank and Gaza (USAID/WBG) continues to play an integral role in promoting the U.S. Government's strategic foreign policy priority of advancing the Middle East peace process and creating two independent, viable, democratic states living side by side in peace and security. An underlying objective of U.S. Government support is to improve the quality of life for Palestinians. The conflict with Israel has severely constrained development, especially since the Intifada began in September 2000. According to the World Bank, approximately 16% of the population, or 607,000 persons, live below the poverty line of \$280 per month for a family of six and cannot afford the basics for survival. In 2003, per capita real Gross Disposable Income (GDI) in the West Bank and Gaza stood at \$1,467 (\$1,621 in the West Bank and \$1,227 in Gaza), a level that is comparable with Egypt. This figure includes official donor assistance of \$300 per capita, an extraordinary level of donor support. Without this assistance, Palestinian consumption and social indicators would all be appreciably lower, and Gaza's per capita GDI would be the second lowest in the region after Yemen. The January 2005 election of a new president lays the groundwork for the cessation of violence, the implementation of security, democratic and governance reforms, and a return to the Roadmap process. These developments create new opportunities for U.S. assistance to help the Palestinians return to economic growth and an improved quality of life for residents of the West Bank and Gaza.

Apart from the violence itself, the proximate causes of this decline in the well-being of Palestinians were the physical fragmentation of the West Bank and Gaza and the much higher transactional costs associated with Israeli closures and curfews (implemented in response to terror attacks) and other restrictions on Palestinian mobility of both goods and people. In addition, for two years beginning in December 2000, in response to the Intifada, Israel began withholding the customs, excise, and value added taxes that it had been collecting on behalf of the Palestinian Authority (PA) as part of the Customs Union arrangement under the Oslo Accords. Since Israeli revenue clearances constitute about two thirds of the PA's total revenues, this period of revenue transfer suspension had an immediate and crippling effect on both the PA and the Palestinian economy. This crisis elicited a major donor response, which now totals approximately \$1 billion per annum.

A forceful and well-coordinated donor response during the past four years, and the resumption of Israeli revenue clearances in the past two years, has meant that an outright humanitarian disaster, especially in Gaza, has been averted. At the same time, high fertility and population growth rates persist, dependence on foreign aid has been further entrenched, and the economy now needs to be reoriented away from its former dependence on labor exports to Israel. Critical infrastructure needs, particularly in water, also need to be addressed. Along with the need to proceed rapidly with democratic governance, institution building, social service delivery, and other reforms, these represent the major development challenges.

The World Bank, in its December 2004 report on "Israeli Disengagement and Palestinian Prospects," suggested that if Israel works to remove its constraints on the movement of goods and people following its withdrawal from Gaza and four settlements in the Northern West Bank, and if the PA can demonstrate commitment and achieve progress in the areas of elections, security, and other key reforms, then the basis for economic regeneration and a return to the Roadmap process would be in place. In accordance with the Palestinian Basic Law, and following the election of President Abbas, plans for Legislative elections in May 2005 and for local municipal elections are similarly underway. In a further sign of progress on the reform front, President Fattouh has signed all pending Palestinian Legislative Council (PLC) laws. Israel, meanwhile, has been steadily advancing its unilateral Disengagement Plan that is expected to lead to a withdrawal from the Gaza Strip and the Northern West Bank by the end of 2005. These defining events are giving rise to renewed but cautious optimism among both Israelis and Palestinians.

It is important to note that the political uncertainty and accompanying instability increase the planning and implementation challenges of the Mission. Within this context, the Mission continues to develop innovative approaches to ensure that U.S. taxpayer dollars are serving the intended purposes and not being provided to terrorist organizations or their affiliates. Per a congressional mandate, the U.S. Inspector General supervises audits of all ongoing projects; all local organizations that receive USAID

funds and their key officials are vetted for terrorist affiliations; and the Mission conducts regular project evaluations to ensure that critical development needs are addressed.

The USAID Program: Prior to the Intifada, the Mission operated under a five-year strategic plan (1996-2000), which focused on the development of the private sector, water resources and democratic institutions. During the course of the Intifada, the Mission's program (beginning in the spring of 2001) was guided by a more flexible Transition Plan which sought to promote stability by addressing four main themes: a) responding to emergency needs; b) promoting reform; c) revitalizing the private sector; and d) maintaining infrastructure and human capital development. These efforts were funded by an operating year budget of \$75 million, \$400 million which became available in 2000 as part of the Wye Supplemental, and \$50 million which was allocated to the Mission as part of the Iraq Supplemental in 2003, primarily for emergency needs. The additional funding enabled the Mission to disburse more than \$170 million in fiscal year 2003 and more than \$150 million in fiscal year 2004.

The Mission is preparing a new interim strategy to respond to the opportunity -- presented by Gaza disengagement and political reform by the Palestinians -- to support the President's vision of a sovereign, independent, viable, democratic and territorially contiguous Palestinian state, living side by side in peace and security with Israel. This new strategy retains all of the flexibility and innovative program management used over the past four years. Although the details and overall funding levels of this plan are still being formulated, this reflects a doubling of the Operating Year Budget from \$75 to \$150 million in FY 2006. With this increased funding, the Mission's broad operational goals will be to: 1) achieve political stability; 2) achieve economic stability; 3) achieve social stability; and 4) provide needed infrastructure.

USAID will respond to the opportunities created by the January 2005 Presidential by providing tangible support to Palestinian leadership committed to reform. We plan to use existing program vehicles to demonstrate the tangible benefits of transition through projects that can deliver immediate impact and results including in the areas of reconstruction, job-creation, and respect for the rule of law, and support for the secular moderate mainstream. In addition, the Mission has already developed a specific plan that will enable rapid response to increased funding. These interventions are in addition to the December 2004 \$20 million cash transfer to the Palestinian Authority.

Other Program Elements: During FY 2004, all activities were funded by the West Bank and Gaza Mission. The Mission did not implement programs funded by pillar bureaus, or regional missions or bureaus. In FY 2005, the Mission expects to implement awards of up to \$750,000 made by USAID's Bureau for Democracy, Conflict, and Humanitarian Assistance for conflict mitigation. USAID was a major participant in the preliminary field review process.

Other Donors: During the past four years, and particularly since 2002, the United States, the European Union (EU), the Arab League countries, the World Bank, and other donors have all played a critical role in preventing a humanitarian crisis and in maintaining a minimum level of economic, social, and political stability. The United States was the largest donor to the West Bank and Gaza in 2003, expending funding to more than \$253 million: \$172 million from USAID, and \$81 million from the State Department through the United Nations Relief and Works Agency (UNRWA). The latter amount does not include assistance delivered by UNRWA to Palestinians in Lebanon, Syria, and Jordan. Total U.S. contribution in 2003 represented more than a quarter of the \$927 million disbursed by all official donors as budget support, humanitarian, and development assistance. In 2003, the EU was the second largest donor, contributing \$235 million, and Saudi Arabia was the third largest donor, contributing \$77 million.

Following the start of the Intifada, the EU, the Arab League Countries, the World Bank, and other donors shifted the bulk of their assistance to direct budget support for the PA, 90% of which went for salaries and transfer payments. The United States responded to critical and humanitarian needs but maintains its medium-term focus on infrastructure and institutional development. As a result, the United States is now the leader in delivery of both tangible goods and services to Palestinians and to the PA. An international donor pledging conference may be convened in the first half of 2005, where a request to donors will be made for assistance over and above the current existing level of just under \$1 billion annually.

West Bank and Gaza PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Economic Support Fund	74,500	74,558	74,400	150,000
ESF - Wartime Supplemental	50,000	0	0	0
PL 480 Title II	9,984	4,955	0	0
Total Program Funds	134,484	79,513	74,400	150,000

STRATEGIC OBJECTIVE SUMMARY

294-001 Private Sector Development				
ESF	10,000	13,950	7,649	23,000
ESF - Wartime Supplemental	4,400	0	0	0
294-002 Water Resources Development				
ESF	34,511	22,808	31,943	51,000
ESF - Wartime Supplemental	3,500	0	0	0
294-003 Democracy and Governance				
ESF	10,150	13,350	23,255	20,000
294-005 Higher Education and Training				
ESF	2,812	2,250	700	14,000
294-007 Family Health				
ESF	17,027	6,200	4,823	16,000
294-008 Community Services Program				
ESF	0	16,000	1,430	19,000
ESF - Wartime Supplemental	42,100	0	0	0
294-009 Program Support Objective				
ESF	0	0	4,600	7,000

Mission Director,
James Bever

Data Sheet

USAID Mission:	West Bank and Gaza
Program Title:	Private Sector Development
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	294-001
Status:	Continuing
Planned FY 2005 Obligation:	\$7,649,000 ESF
Prior Year Unobligated:	\$15,165,000 ESF
Proposed FY 2006 Obligation:	\$23,000,000 ESF
Year of Initial Obligation:	1994
Estimated Year of Final Obligation:	2007

Summary: The program promotes economic and financial sector reform, business development, and trade in the West Bank and Gaza. USAID assistance supports: 1) access to microenterprise lending; 2) non-bank financial services and an emergency loan program which leverages commercial resources; 3) private-public partnerships and representative trade and business associations that increase employment and market access; 4) legal and regulatory reforms, including reforms in financial and commercial accountability; and 5) 'Rapid Response' activities in the private sector to repair damaged equipment, preserve jobs, and provide flexible and discrete support for disengagement and forward progress toward the President's two-state vision.

Inputs, Outputs, Activities:

FY 2005 Program: Protect and Increase the Assets and Livelihoods of the Poor during Periods of Stress (\$1,872,000 ESF; \$1,348,000 ESF Prior Year Unobligated, \$7,900,000 ESF Wye). In FY 2005, USAID will provide about \$1.5 million in loans to more than 3,000 women micro-entrepreneurs. A Development Credit Authority loan portfolio guarantee program will share the risk of financing small and medium scale enterprises (\$500,000). The principal grantees are: Save the Children, FATEN (a Palestinian non-governmental organization), and others to be determined.

Increase Private Sector Growth (\$4,577,000 ESF; \$5,822,000 ESF Prior Year Unobligated). USAID will continue to promote economic growth and job creation by improving the performance of 320 small and medium businesses. Two new activities will be implemented. The Palestinian Agribusiness Partnership Activity (PAPA) is a public-private sector alliance that will replace and improve agricultural infrastructure; reduce dependence on food imports and labor exports; improve food security; and raise rural incomes, exports, and employment. A second new activity, the Palestinian Enterprise Development (PED) program, will expand exports, create jobs, and generate income by supporting Small and Medium Enterprises and business and trade associations. The PED will also address legal and regulatory reforms by providing technical assistance and training to the key economic ministries. The Private Enterprise Revitalization (PER) initiative will, with a two-year expansion, provide technical assistance to 250 small firms. The targets include creating an additional 300 permanent jobs, protecting 3,000 existing jobs, and extending about \$5 million in loans through commercial banks. USAID will continue support for PalTrade, the national trade promotion organization. PalTrade sponsors Palestinian companies' participation in trade fairs and trade missions, conducts training, and increases the export readiness of Palestinian firms. Trade promotion activities are targeted to generate more than \$5 million in sales. A second phase of the Palestinian Information and Communications Technology Incubator (PICTI) program is implementing public private-partnerships to provide effective marketing, financial, and technical services and to create a not-for-profit seed fund and a for-profit venture capital fund. Principal contractors are: Nathan Associates, Development Alternatives Inc. (DAI), and others to be determined.

One of the areas the Mission is actively exploring is development of vocational education programs that are directly linked to private sector needs. Currently, many such programs are working with outdated equipment and are too short and have too little credibility to attract students into professions, such as construction, that have a strong future. The mission is working with Palestinian businesses to determine what their workforce needs are, and how USAID can help them meet these needs.

Improve Economic Policy and Governance (\$1,200,000 ESF, \$95,000 ESF prior year unobligated). The Mission will implement: 1) the Financial Markets Reform program to continue work on land titling and registration, and technical assistance to the business schools at Al Najah and Birzeit University; and 2) the Internal Audit Capacity Building project to assist the Palestinian Customs and Excise department in organizational improvements and restructuring so that it can become more efficient in collecting revenues. The principal contractors and grantees are: Financial Markets International (FMI) and Deloitte Touche Toumatsu.

FY 2006 Program: Protect and Increase the Assets and Livelihoods of the Poor during Periods of Stress (\$1,500,000 ESF). With additional funds the mission will maintain support to women micro-entrepreneurs. The mission will continue plans with the Development Credit Authority loan portfolio guarantee facility launched in 2005. The principal partners are Save the Children, FATEN, Bank of Jordan, and others to be determined.

Increase Private Sector Growth (\$4,000,000 ESF). USAID intends to continue its support for: 1) creating jobs and improving the performance of an additional 320 micro, small, and medium enterprises; 2) assisting PalTrade to become the national trade promotion organization; and 3) PICTI, by providing management and marketing tools for existing tenants of the incubator. PER will assist 300 firms creating 350 jobs and mobilize \$6 million in financing. Principal contractors are Nathan Associates, DAI, and others to be determined.

Increase Agricultural Productivity (\$13,000,000 ESF). The mission is developing PAPA, a major agriculture revitalization initiative that will establish private sector partnerships and linkages with Israeli marketing firms to increase agricultural production and exports to regional and international markets. The principal contractors and grantees are to be determined.

Improve Economic Policy and Governance (\$4,500,000 ESF). USAID will incrementally fund the ongoing Financial Market Reform project to continue work on pending legislation, the movable properties registry, and a pilot land registration program in the West Bank and Gaza. The PED program will continue to support selected associations and reforms that enhance private sector development, job creation and exports. The mission is planning to develop an initiative that would support development of a state of the art business school at one of the universities in the West Bank. The principal contractors and grantees are FMI and others are to be determined.

Performance and Results: Private Enterprise Development activities achieved significant results in 2004 in terms of business development, employment creation, credit delivery, institutional reform, and business training. Since inception, the program has achieved the following major results: 1) non-bank financial instruments have been introduced, including a bond issue for private placement with the Palestinian Mortgage Housing Company; 2) more than 60,000 loans worth over \$24 million have been extended to Palestinian women entrepreneurs; 3) USAID has helped increase private sector exports, market share, sales, and employment opportunities in the West Bank and Gaza; and 4) economic reforms have been advanced, such as the Law on Encouragement of Investment, the consolidation of two drafts of the Companies Law, and final drafts of the Irrevocable Power of Attorney Law and Capital Markets Authority Law.

Working in partnership with the leading national business, industrial, and public policy institutions, USAID has assisted Palestinian firms to become more competitive in local and international markets. Remarkable progress was made in the growth of private sector institutions in developing their programs and service delivery and policy advocacy, which in turn has led to an increase in their membership base. As a result of USAID's business revitalization activities, more than 7,500 skilled and non-skilled jobs were created in the West Bank and Gaza. Each USAID dollar brought another four dollars in loans as part of a home improvement program. In total, 2,600 loans amounting to \$12 million were disbursed to 2,700 families, creating more than 350,000 person days of employment. The program's partner banks provided more than \$8 million in loans, bore the full risk of their share, and participated in servicing the loans.

US Financing in Thousands of Dollars

West Bank and Gaza

	DA	ESF
294-001 Private Sector Development		
Through September 30, 2003		
Obligations	1,200	103,472
Expenditures	0	76,803
Unliquidated	1,200	26,669
Fiscal Year 2004		
Obligations	0	9,443
Expenditures	921	17,790
Through September 30, 2004		
Obligations	1,200	112,915
Expenditures	921	94,593
Unliquidated	279	18,322
Prior Year Unobligated Funds		
Obligations	0	15,165
Planned Fiscal Year 2005 NOA		
Obligations	0	7,649
Total Planned Fiscal Year 2005		
Obligations	0	22,814
Proposed Fiscal Year 2006 NOA		
Obligations	0	23,000
Future Obligations	0	12,500
Est. Total Cost	1,200	171,229

Data Sheet

USAID Mission:	West Bank and Gaza
Program Title:	Water Resources Development
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	294-002
Status:	Continuing
Planned FY 2005 Obligation:	\$31,943,000 ESF
Prior Year Unobligated:	\$111,149,000 ESF
Proposed FY 2006 Obligation:	\$51,000,000 ESF
Year of Initial Obligation:	1999
Estimated Year of Final Obligation:	2007

Summary: USAID's program to improve water resources in the West Bank and Gaza includes the construction of wells, pipelines, and water distribution systems in the West Bank; the construction of a wastewater treatment plant near the city of Hebron in the southern West Bank; the construction of a desalination plant and a regional water pipeline in Gaza; training and technical assistance in water system management, including operation and maintenance services and the management of water as a resource; and increased awareness at both the regional and the village level on how to plan, manage, operate, and maintain water supply and water distribution systems. The beneficiaries of this program include more than 1,000,000 residents of Gaza and over 500,000 residents of the West Bank.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Access to Clean Water and Sanitation (\$31,943,000 ESF; \$11,511,000 ESF Prior Year Unobligated; \$99,638,000 ESF Wye). USAID will provide permanent power connections for the Eastern Hebron Bulk Water Supply project. This effort will allow an additional 1,000 m³/hour of water to be pumped to the southern West Bank, benefiting approximately 80,000 residents of the area. The principal contractor is to be determined. USAID will incrementally fund the construction management and engineering services for this effort. The principal contractor is CH2M Hill.

A preliminary treatment facility will be constructed to serve Hebron in the West Bank. This activity is part of a wastewater treatment facility that is capable of treating 15,000 cm³/day of wastewater, and provides more than five million cubic meters per year of water suitable to be used for agricultural development, benefiting the 400,000 residents of Hebron city. USAID will construct a wastewater treatment plant. Hebron's raw sewage currently flows to Beer Sheva in Israel and causes local health problems and the potential for long-term contamination of the Western Aquifer. Contamination of the shared Western Aquifer would impact future water supply options for Palestinians and Israelis. Both parties have indicated the highest priority need for the construction of such a facility. The principal contractor is to be determined.

A program will be initiated to address the sustainable management and development of West Bank and Gaza water resources and of newly constructed infrastructures. Such infrastructure, including road construction funded by USAID, has introduced new maintenance and planning requirements that will be addressed by the Palestinian Authority (PA). Both the Palestinian Water Authority and the Department of Roads within the Ministry of Public Works and Housing have requested U.S. assistance for institutional support. The principal contractor is to be determined.

As part of the Rapid Response Initiative to demonstrate support to the newly elected Palestinian Authority President, three new initiatives will be started under this strategic objective totaling \$13,880,000 (ESF Wye): (1) a Roads project, (\$9,900,000) replicating one of our most successful and rapidly implemented programs to provide improved transportation and temporary construction jobs throughout the West Bank and Gaza; (2) a small parks program (\$1,990,000) which will strengthen municipalities that have held elections by improving urban life with small parks to be constructed throughout the West Bank and Gaza, and (3) the first stages of the rehabilitation of a heavily polluted run-off reservoir in Gaza (\$1,990,000). All three activities will be implemented through existing contractors and will have an immediate impact on

people's lives.

If the security situation improves (including acceptable progress on the PA investigation into the killing of three U.S. security personnel in Gaza on October 15, 2003), USAID will use Wye River Accord Supplemental funds to support the construction of a regional water carrier pipeline and a seawater desalination plant benefiting around 1,000,000 residents of the Gaza Strip; these projects were suspended subsequent to the October 15, 2003 murders (fully funding the desalination plant will require replenishment of the \$41 million rapid response program from out-year OYBs). USAID's proposed water projects have been vetted and evaluated by the PA and the Government of Israel. Israeli support in principle for these two USAID projects will ensure that equipment and material can be transported to project sites. USAID will ensure that the projects are sustainable through the implementation of workable user fees and tariff structures. The principal contractor(s)/grantees are to be determined.

A two-year initiative will begin to provide safe and sustainable water and sanitation services to about 150,000 residents of 10 villages south of the West Bank city of Nablus. Subject to additional funding, the project will continue USAID's innovative approach that was developed in Jenin. Village councils will be involved in making decisions on how to pay for and maintain distribution systems. Contractors and grantees are to be determined.

FY 2006 Program: Improve Access to Clean Water and Sanitation (\$51,000,000 ESF). USAID will continue well drilling activities in the West Bank, and for construction activities under the wastewater treatment plant activity in Hebron. USAID will support the institutional development of both the Palestinian Water Authority and the Department of Roads within the PA Ministry of Public Works and Housing, addressing water development and planning related institutional challenges. USAID will be available to fund the continuation of the village water distribution project, which provides safe and sustainable water and sanitation services to about 150,000 residents of 10 villages near Nablus. Principal contractors to be determined.

Performance and Results: USAID continues to make substantial progress despite difficult security conditions and continuing obstacles to project implementation. In 2004, USAID restored and upgraded local water and sanitation infrastructure, and constructed major water and sanitation facilities. To date, Phase I of the West Bank Water Resources program has put into service four major production wells yielding approximately eight million cubic meters of water per year. This doubled the water supply for approximately 400,000 beneficiaries in the Hebron-Bethlehem area and supplied potable water to new communities of approximately 100,000 people. Under the Phase II of the program, USAID has constructed approximately ten miles of water transmission lines in the Hebron/Bethlehem region, including two large booster pump stations. A village water system is in place in the Jenin area of the Northern West Bank, serving another 45,000 Palestinians. The FY 2005 and FY 2006 program will result in a comprehensive water supply system, including new production wells that will bring water to over 500,000 people in the West Bank. A regional wastewater treatment plant for the municipality of Hebron will also be introduced.

US Financing in Thousands of Dollars

West Bank and Gaza

294-002 Water Resources Development	ESF
Through September 30, 2003	
Obligations	329,387
Expenditures	289,208
Unliquidated	40,179
Fiscal Year 2004	
Obligations	25,931
Expenditures	28,736
Through September 30, 2004	
Obligations	355,318
Expenditures	317,944
Unliquidated	37,374
Prior Year Unobligated Funds	
Obligations	111,149
Planned Fiscal Year 2005 NOA	
Obligations	31,943
Total Planned Fiscal Year 2005	
Obligations	143,092
Proposed Fiscal Year 2006 NOA	
Obligations	51,000
Future Obligations	70,342
Est. Total Cost	619,752

Data Sheet

USAID Mission:	West Bank and Gaza
Program Title:	Democracy and Governance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	294-003
Status:	Continuing
Planned FY 2005 Obligation:	\$23,255,000 ESF
Prior Year Unobligated:	\$11,401,000 ESF
Proposed FY 2006 Obligation:	\$20,000,000 ESF
Year of Initial Obligation:	1996
Estimated Year of Final Obligation:	2007

Summary: USAID/West Bank and Gaza (WBG) supports a program of broad-based democratic development through: technical and limited material assistance for elections and political party development; financial and technical assistance for Palestinian civil society organizations to promote public discourse and improve oversight of public institutions; technical and limited material assistance to the Palestinian Legislative Council (PLC) to improve the capacity, accountability, and responsiveness of key legislative staff, offices, and PLC committees; activities that strengthen demand for rule of law reform through work with law faculties, civil society organizations, and professional associations; and extraordinary budget support to assist reform by the new leadership of the Palestinian Authority (PA).

Inputs, Outputs, Activities:

FY 2005 Program: Strengthen Civil Society (\$1,000,000 ESF). USAID will assist civil society organizations (CSOs) to promote public discourse in decision-making processes, work for representation of diverse social interests, and ensure proper oversight of public institutions. USAID will also support civil society initiatives in Presidential, parliamentary, and local elections. These efforts may include domestic observation, voter mobilization, and voter education programs, including specific programming for women's participation. USAID will also stimulate and improve local CSO work in the areas of advocacy, policy analysis, training capacity building, communication, leadership skills, strategic planning, financial management, conflict resolution, and holding the PA accountable for execution of laws and regulations. Interventions support reform, deepen CSO oversight capabilities, and promote citizen discourse. With proper Congressional consultation and subject to Foreign Assistance Act FY 2005 Appropriation language, if needed, USAID will implement a community policing initiative as a contribution to improving the security conditions for community-based law and order together with CSOs. The Mission's primary civil society program is scheduled to end in late 2005 when the Mission plans to design, award, and fund a follow-on project in FY 2005. The principal contractors are: Chemonics Inc., Academy for Educational Development, Search for Common Ground, and International Republican Institute (IRI).

Strengthen Democratic National Governance Institutions (\$22,000,000 ESF). The Mission's long-standing legislative strengthening contract concluded in the first quarter of FY 2005. USAID will design, award, and fund a follow-on project in FY 2005, which will assist the prospective newly democratically elected PLC. Parliamentary elections are anticipated for May 2005. Building upon the results of an evaluation conducted in FY 2004 and capitalizing on new momentum towards reform, USAID will strengthen the new Council's capacities in targeted core areas. These may include executive-legislative relations, new member training and development, improved outreach and engagement with civil society and citizen constituencies, and enhanced transparency and accountability. The Mission will also explore opportunities to strengthen the legislative process more broadly, including expanding the executive branch's capacity to propose legislation and formulate policy and helping CSOs monitor the legislative process and oversee the legislative branch performance and execution of the law by the PA. The principal implementing partners are to be determined. As tangible support for the new leadership of the PA, and in recognition of the PA's improved financial reforms, the U.S. Government provided extraordinary budget support in the form of a cash transfer of \$20 million to the Palestinian Authority. This direct budgetary support has been transferred to the PA Ministry of Finance and was used for the payment of utility arrearages to the Government of Israel. This support was rendered with all necessary

legislative and policy waivers and approvals.

Improve Justice Sector/Legal Framework (\$255,000 ESF). USAID launched two new rules of law initiatives in FY 2004. Through these programs, USAID promotes Palestinian internal reform, economic growth based on enforceable legal and commercial transactions, and the development of an independent, well-trained, and merit-based judiciary. USAID assistance through its new Rule of Law Reform project increases the professionalism of the legal community, improves the curriculum and teaching capacity in law schools, and supports constituencies for legal reform. During FY 2005, USAID will build on previous efforts to strengthen the Palestinian judiciary and prosecution by constructing several courthouses and improving forensic skills. The principal contractors and grantees are: Chemonics Inc., the United Nations Development Program, and others to be determined.

Promote and Support Free and Fair Elections (\$11,401,000 ESF Prior Year Unobligated). To support the organization and implementation of Presidential, parliamentary, and local elections, USAID is providing technical assistance and equipment, such as ballot boxes and ballot paper. This support will strengthen the operations of the Central Elections Commission and possibly its counterpart commission for local elections. USAID is also supporting international observation of elections. Technical assistance will increase campaign polling and surveying capacity, support voter education and information campaigns, build campaign message and management skills, and otherwise strengthen the electoral process as a cornerstone of the democratic system. Principal contractors and grantees are: The National Democratic Institute; The International Foundation for Electoral Systems, and IRI.

There will be a \$20,000,000 ESF Cash Transfer to the Palestinian Authority to pay electric bills.

FY 2006 Program: Improve Justice Sector/Legal Framework (\$8,000,000 ESF). Strengthen Democratic National Governance Institutions (\$3,000,000 ESF). Support Democratic Local Government and Decentralization (\$3,000,000 ESF). Strengthen Civil Society (\$5,000,000 ESF). Support Democratic Political Parties (\$1,000,000). The Mission will continue to implement its legislative assistance, rule of law, local governance, and civil society programs. However, Presidential, local, and parliamentary elections may result in significant realignments of democracy and governance program components. The major priorities which USAID might address in FY 2006 include: 1) strengthening the rule of law and the judiciary; 2) supporting the Palestinian Legislative Council and Executive Branch policy units, as needed; 3) improving the quality of governance and the service delivery capabilities at the local level; and 4) continued support for civil society programs, including media. Principal contractors and grantees are to be determined.

Performance and Results: USAID is a leader in providing assistance in the Democracy and Governance sector in West Bank and Gaza (WBG). The focus is on consolidating gains in core Palestinian democratic institutions: the PLC, the judiciary, electoral institutions and political parties, and civil society. Important, visible results have been achieved in strengthening the Palestinian judiciary and in sustaining the PLC's operations. USAID rehabilitated, automated, and modernized a total of 13 Palestinian courts and seven offices of the Attorney General in the WBG. These courts and offices are now able to process cases more swiftly and efficiently, compile and store records more safely, and have the potential to administer justice more effectively. Work with Palestinian civil society has continued to achieve demonstrable results by engaging non-governmental organizations in the democratic process and supporting their efforts to represent and integrate marginalized groups such as women, children, and the disabled. Concerning elections, the Mission supported a voter registration observation initiative, which helped build public and international confidence in Palestinian electoral preparations.

US Financing in Thousands of Dollars

West Bank and Gaza

294-003 Democracy and Governance	ESF
Through September 30, 2003	
Obligations	98,249
Expenditures	79,152
Unliquidated	19,097
Fiscal Year 2004	
Obligations	6,449
Expenditures	7,599
Through September 30, 2004	
Obligations	104,698
Expenditures	86,751
Unliquidated	17,947
Prior Year Unobligated Funds	
Obligations	11,401
Planned Fiscal Year 2005 NOA	
Obligations	23,255
Total Planned Fiscal Year 2005	
Obligations	34,656
Proposed Fiscal Year 2006 NOA	
Obligations	20,000
Future Obligations	7,500
Est. Total Cost	166,854

Data Sheet

USAID Mission:	West Bank and Gaza
Program Title:	Higher Education and Training
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	294-005
Status:	Continuing
Planned FY 2005 Obligation:	\$700,000 ESF
Prior Year Unobligated:	\$7,666,000 ESF
Proposed FY 2006 Obligation:	\$14,000,000 ESF
Year of Initial Obligation:	2000
Estimated Year of Final Obligation:	2007

Summary: USAID's higher education program aims at building human capital by providing long and short-term training opportunities to Palestinians. One initiative supports local universities, students, and academics, by providing scholarships to eligible students at local universities as well as support for scientific research proposals and training in the area of Information Technology (IT). Another initiative provides graduates from local universities with the opportunity to seek a Master's degree in the United States in professional fields that support developmental and reform priority needs in the West Bank and Gaza.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Institutions of Higher Education (\$700,000 ESF; \$346,000 ESF Prior Year Unobligated). The Higher Education Support Initiative (HESI) provides increased access to higher education and training and strengthens Palestinian institutions of higher learning by providing local scholarships to students in fields that meet immediate and critical needs. 476 local undergraduate students (199 male and 277 female) are benefiting from two to four semesters of full tuition scholarships at Palestinian universities. Following an eight month assessment of Palestinian higher education needs, USAID is funding up to 15 research proposals which were identified for support under HESI. These are in the following fields of specialization: biochemistry, botany, nutrition, microbiology, electronics, environment and wastewater treatment, and energy. Funding for an additional 15 proposals will be disbursed during FY 2005. If needed, additional local scholarships may also be provided. USAID will also support selected institutions of higher education with an activity aimed at faculty development. In order to improve educational resource effectiveness, USAID will support the ability of these institutions to access the most appropriate, state of the art electronic journals and databases. An assessment of the IT and staffing capacity of several higher education institutions is being carried out, and depending on the results of the assessment, USAID intends to commence funding for access to electronic journals in January 2005. The principal contractor is: Academy for Educational Development (AED).

As part of the Missions rapid response initiative, a major new initiative supporting colleges and vocational schools will begin immediately in support of the new Palestinian government (\$7,320,000 ESF Wye). This will include providing 1,000 new scholarships at local universities, improving library resources at eleven of the existing West Bank and Gaza universities, improving computer laboratories at 20 community colleges, and modernizing 13 vocational colleges that provide education to some 12,000 students.

The Mission's Program Development and Support Objective (SO) has been notified under this objective for several years. While a new Program Support Objective will be established with the arrival of new FY 2005 funding, \$400,000 under this SO will be used to provide project support needed to effectively manage the short term aspects of the new activities, and provide public information so Palestinians can learn about the U.S. government's support.

FY 2006 Program: Improve Quality of Workforce (Continuing to use funds obligated in FY 2004). USAID will provide support under the Presidential Scholarship Program for 24 scholars, who will be returning from the United States to the West Bank and Gaza, as well as for the remaining 46 Palestinian scholars who will be continuing with their studies in the United States. Principal contractor: AED.

Improve Institutions of Higher Education (\$4,000,000 ESF). USAID will extend HESI, which provides increased access to higher education and training and strengthens Palestinian institutions of higher learning by providing local scholarships to students in fields that meet immediate and critical needs. 476 local undergraduate students are currently benefiting from up to four semesters of full tuition scholarships at Palestinian universities. In addition, funding will be provided through the HESI program to enable access to electronic journals at colleges, a Higher Education Management Information System database, and for funding research proposals in the scientific and social sectors. Principal contractor/grantee is AED.

The Mission will introduce a vocational training activity (\$10,000,000 ESF) to develop the curricula of, equip, and build the capacity of Palestinian Vocational & Technical Centers and Colleges. Principal contractor/grantee is TBD. Principal contractor/grantee is to be determined.

Performance and Results: By providing scholarships and short-term training, USAID has had a significant beneficial impact on the availability and quality of higher education and training. Numerous students, institutions, and professionals have been assisted, and a cadre of leaders has been developed. Many of these beneficiaries and former students have already begun to play a prominent and visible role in the economy and in the development of Palestinian society. Furthermore, anecdotal evidence has highlighted the important role that Palestinian scholars play on U.S. campuses, enlightening counterparts at universities and in their communities to the realities of the Middle East.

US Financing in Thousands of Dollars

West Bank and Gaza

294-005 Higher Education and Training	ESF
Through September 30, 2003	
Obligations	96,002
Expenditures	78,527
Unliquidated	17,475
Fiscal Year 2004	
Obligations	2,677
Expenditures	4,395
Through September 30, 2004	
Obligations	98,679
Expenditures	82,922
Unliquidated	15,757
Prior Year Unobligated Funds	
Obligations	7,666
Planned Fiscal Year 2005 NOA	
Obligations	700
Total Planned Fiscal Year 2005	
Obligations	8,366
Proposed Fiscal Year 2006 NOA	
Obligations	14,000
Future Obligations	2,500
Est. Total Cost	123,545

Data Sheet

USAID Mission:	West Bank and Gaza
Program Title:	Family Health
Pillar:	Global Health
Strategic Objective:	294-007
Status:	Continuing
Planned FY 2005 Obligation:	\$4,823,000 ESF
Prior Year Unobligated:	\$10,285,000 ESF
Proposed FY 2006 Obligation:	\$16,000,000 ESF
Year of Initial Obligation:	1999
Estimated Year of Final Obligation:	2007

Summary: USAID's health program in the West Bank and Gaza is working to improve and sustain overall performance in the primary health care system. It will also focus on the quality of maternal and child health (MCH) and nutrition (N) services and on the promotion of household level and community health behaviors related to the well-being of women and children. A second component trains social workers and teachers to help children and youth cope emotionally with the violent environment. Health programs provide performance improvement in MCHN services and counseling, training in emergency medical and trauma case management, and the procurement of essential medical equipment, supplies, and pharmaceuticals. Nutrition and food security programs support the procurement of locally produced olive oil and locally-milled wheat flour with additional support focusing on fortification of wheat flour and other food products and capacity building within the Ministry of Health's Nutrition Department. The key beneficiaries are women, children, and youth.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Maternal Health and Nutrition (\$1,929,000 ESF; \$1,445,000 ESF Prior Year Unobligated; \$1,440,000 ESF Wye). As the Mission's primary health care contract (IBM as prime and Palestinian non-governmental organizations (NGOs) as sub-grantees) comes to a close, a new maternal child health and nutrition cooperative agreement will be awarded to continue improving the availability of quality MCH and nutrition services at the community level. The new program will focus on management assistance and capacity building, policy dialogue and advocacy, procurement of medical equipment and supplies, research to provide data for decision making, and the awarding of sub-agreements to Palestinian NGOs and institutions. The principal grantee (cooperative agreement) and sub-grantees are to be determined (TBD).

Improve Child Survival, Health and Nutrition (\$1,640,000 ESF; \$1,100,000 ESF Prior Year Unobligated; \$1,000,000 ESF Wye). This program will improve the availability of quality child survival, health, and nutrition services. Quality improvement and training, behavior change and communication, and the procurement of vitamins and minerals are also key elements. USAID will continue its support for training public, private, and NGO sector teachers and social workers in technical skills and psychosocial support, counseling, and coping behaviors for children and youth who must live in a violent environment. The principle grantee (cooperative agreement) is with Save the Children.

Reduce Unintended Pregnancy and Improve Healthy Reproductive Behavior (\$1,254,000 ESF; \$1,300,000 ESF Prior Year Unobligated; \$1,000,000 ESF Wye). A new maternal child health and nutrition activity will include the promotion of healthy reproductive behavior. Quality improvement and training and behavior change and communication will be the main elements of this component. The principal grantee (cooperative agreement) and sub-grantees are TBD.

Provide Emergency Assistance (full-funded in prior years). USAID will continue building Palestinians' capacity to meet emergency medical needs arising from the crisis. Activities include training in trauma management and emergency care, the procurement of essential medical equipment, supplies, and pharmaceuticals, establishment of an injury/emergency care surveillance system, and sub-grants that maintain the operational capacity of local rehabilitation and emergency organizations. The principal

grantees (cooperative agreement) are CARE, World Health Organization (WHO), and others TBD.

Increase Food Security of Vulnerable Populations (\$3,000,000 ESF Wye). USAID will continue its support for the distribution of food commodities to the most vulnerable Palestinian communities. The principal grantees are: World Health Organization (WHO), World Food Program (WFP), International Science and Technology Institute (ISTI), United Nations Children's Fund (UNICEF), and others.

FY 2006 Program: Improve Maternal Health and Nutrition (\$2,700,000 ESF). The main elements of this program will be: training and quality improvement, management assistance and capacity building, behavior change and communication, policy dialogue and advocacy, and procurement of medical equipment, supplies, vitamins and minerals. Palestinian NGOs and other institutions will also be supported with research to provide data for decision making. The principal grantee is TBD.

Improve Child Survival, Health and Nutrition (\$2,500,000 ESF). This program will continue under a new three year cooperative agreement awarded in first quarter FY 2005. Quality improvement and training, behavior change and communication, and the procurement of vitamins and minerals will be the main elements of this component. The principal grantee is John Snow, Inc. USAID will complete its ongoing and fully-funded support for training public sector, private sector, and NGO teachers and social workers in technical skills and in psychosocial support, counseling, and coping behaviors for children and youth who live in a violent environment. The principal grantee is Save the Children.

Reduce Unintended Pregnancy and Improve Healthy Reproductive Behavior (\$1,800,000 ESF). This initiative will continue under a new agreement. Quality improvement and training and behavior change and communication will be the program's main features. The principal grantee is TBD.

Provide Emergency Assistance (\$3,100,000 ESF). USAID may continue to build the Palestinians' capacity to meet emergency medical needs through a full and open competition. Depending on the situation and needs on the ground, the procurement of medical equipment, supplies, and pharmaceuticals and sub-grants to Palestinian organizations will continue as will continued sponsorship of health sector coordination. The principal grantees are WHO and others TBD.

Increase Food Security of Vulnerable Populations (\$4,000,000 ESF). USAID may continue to assist Palestinian institutions in strengthening their policies and programs regarding food fortification and micronutrient deficiencies. USAID may also continue its support for the procurement of locally-produced food products benefiting the most food insecure non-refugee families and the private sector. The principle grantees are: WHO, WFP, and others TBD.

Build Health Systems Capacity (\$1,900,000 ESF). USAID may support the establishment of an epidemiological surveillance system to strengthen the Ministry of Health's decision making capacity. Other elements may include strengthening health planning within the Ministry of Health, as well as health insurance finance programs. The principal grantee is TBD.

Performance and Results: USAID's programs continue to improve and sustain performance in the health system. Through the end of FY 2004, USAID procured and distributed medical equipment, supplies, and pharmaceuticals to approximately 200 non-governmental clinics, hospitals, and public health facilities, serving approximately 570,000 women and children. Training workshops targeting approximately 1,200 health workers have been conducted to strengthen their counseling skills in educating women on the birth cycle, birth spacing, family planning, and baby care. In addition, 108,000 women of reproductive age living in 80 isolated communities have received "take home" health education materials that focus on danger signs during pregnancy, newborn care, breastfeeding, anemia, proper nutrition, and other priority health concerns for women. Approximately 530,000 of the poorest and most vulnerable persons have directly benefited from food distribution programs supported by USAID.

US Financing in Thousands of Dollars

West Bank and Gaza

294-007 Family Health	ESF
Through September 30, 2003	
Obligations	47,752
Expenditures	27,228
Unliquidated	20,524
Fiscal Year 2004	
Obligations	15,956
Expenditures	17,824
Through September 30, 2004	
Obligations	63,708
Expenditures	45,052
Unliquidated	18,656
Prior Year Unobligated Funds	
Obligations	10,285
Planned Fiscal Year 2005 NOA	
Obligations	4,823
Total Planned Fiscal Year 2005	
Obligations	15,108
Proposed Fiscal Year 2006 NOA	
Obligations	16,000
Future Obligations	7,000
Est. Total Cost	101,816

Data Sheet

USAID Mission:	West Bank and Gaza
Program Title:	Community Services Program
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	294-008
Status:	Continuing
Planned FY 2005 Obligation:	\$1,430,000 ESF
Prior Year Unobligated:	\$9,843,000 ESF
Proposed FY 2006 Obligation:	\$19,000,000 ESF
Year of Initial Obligation:	1999
Estimated Year of Final Obligation:	2005

Summary: The goal of USAID's Community Services Program (CSP) is to improve the quality of life of Palestinians in under-served communities in the West Bank and Gaza (WBG). The program responds to the growing gap in the provision of community services through a wide range of interventions. While generating employment opportunities, the program upgrades basic infrastructure, improves the capacity of local entities to provide sustainable community services, and provides humanitarian assistance to disadvantaged groups. Community involvement is the cornerstone of the program. Communities participate in the identification, design, and implementation of projects, and, in most instances, make substantial contributions in kind or in cash. Municipal and village councils, village development committees, and community-based organizations also receive training and technical assistance to maintain projects within their communities. The principle of sustainability through community participation and thus ownership is the cornerstone of this Strategic Objective. Given that municipal elections are occurring (the first in almost thirty years), the CSP will support selected municipalities, beginning with those who elect their own commissioners and mayors. Previously, all mayors were appointed by the Palestinian Authority President Arafat.

Inputs, Outputs, Activities:

FY 2005 Program: Expand and Improve Access to Economic and Social Infrastructure (\$1,430,000 ESF, \$7,900,000 ESF Wye). The focus is on upgrading infrastructure for selected needy rural areas and urban neighborhoods in the West Bank and Gaza, particularly educational and youth facilities. USAID funds small community activities in education, youth and small municipal infrastructure to improve the quality of life and provide much needed services while creating employment opportunities. Interventions in the education sector focus on rehabilitation and construction of schools and classrooms, resulting in greater access to and better quality education. Poor areas often suffer from an absence of, or inadequate supply of schools, classrooms, toilets for girls, and youth facilities. Typical interventions in this area include construction or expansion of educational and youth facilities and the training of service providers. Small municipal infrastructure activities will include water projects aimed at the provision of quality water for drinking purposes, extension of piped water networks and connecting and interior roads. Support to interventions in agriculture and health will continue if resources are available. The program and the number of partners are expected to decrease as the last of the Wye Accord supplementary funds are disbursed. The principal grantees are: Save the Children Federation (SCF), Catholic Relief Services (CRS), YMCA, American Near East Refugee Aid (ANERA), World Vision International (WVI), Cooperative Housing Foundation (CHF), International Orthodox Christian Charities (IOCC), and the United Nations Development Program (UNDP).

Provide Emergency Assistance (\$1,000,000 ESF Wye). This assistance targets groups that have fallen out of the reach of mainstream donor support and are in exceptional need of humanitarian assistance. These groups include the elderly, physically and mentally challenged youth, needy school children, internally displaced persons, families with inadequate shelter and other similar groups with urgent needs. Typical interventions in this area include the distribution of commodities, such as food packages and school supply bags. The principal grantee is Associates in Rural Development, Inc. (ARD).

Support Democratic Local Government and Decentralization (\$943,000 Prior Year Unobligated). As

tangible support for the new leadership of the PA and subject to availability of additional funds, the Mission will design, award and launch a new program, which strengthens the democratic governance capabilities of Palestinian municipalities and towns. This program will be linked to local elections scheduled to take place in stages in West Bank and Gaza beginning in December 2004. The new program will build upon previous USAID WBG efforts in the sector, as well as more recent analysis conducted by the United Nations Development Program and other donors. It will enhance the accountability and responsiveness of local councils to their constituents, improve their management, planning, and administrative capacities, and improve service provision through better governance. The principal contractors and grantees are to be determined.

FY 2006 Program: Strengthen Civil Society (\$19,000,000 ESF). Two new programs will be introduced. The first, a four year program to support youth and organizations that provide youth services will focus on: 1) youth incomes and job opportunities; 2) awareness and training to change youth behaviors; 3) recreational infrastructure for youth; and 4) educational and vocational training. In a post-conflict setting, the youth program will enable a reintegration into society by improving access to social and cultural activities, building morale and developing a sense of self-worth. Youth will be empowered to participate positively and productively in the development of their communities. A second program, also to be implemented over four years, will support municipalities and town and village councils in the West Bank and Gaza. The aim will be to strengthen democratic governance, accountability, and responsiveness, while improving municipal planning and management capacities. USAID will seek to ensure that the municipalities, town, and village councils that it supports are able to deliver a range of services that are sustainable, tangible, and highly visible. Technical and material support might be provided in cooperation with local authorities for needs assessment planning and service delivery in a sustainable fashion. The municipal support program will also work with non-governmental organizations to strengthen their ability to serve communities and to empower these local communities by emphasizing sustainability and self reliance. A second phase of an existing jobs creation program will be continued, and other humanitarian assistance will be continued where needed.

Performance and Results: USAID's CSP achieved its targets in 2004, which were to contribute towards the enhancement of services to rural communities in the absence of functioning government structures and the depletion of local economic resources. In 2004, the CSP generated over 137,000 person days of employment and extended benefits to more than 735,000 beneficiaries. By providing new facilities or expanding existing ones in key sectors such as education, the CSP provided direct employment and supported the local economy and social sectors. Since the program's inception, it has made great contributions to stabilizing the Palestinian economy and society. The CSP has supported projects in about 300 villages or almost half of the total number of Palestinian communities in the West Bank and Gaza. It has been active in every Palestinian governorate, and it has financed the construction of over 1,400 educational rooms (classrooms, libraries, laboratories, etc.), benefiting about 30,000 students. Thus, this USAID program has provided about 30% of the total Palestinian needs for increased classroom space in recent years. It has also built or renovated over 550 youth facilities, repaired nearly 900 water cisterns, increased arable land available to Palestinian farmers by over 750 acres, and constructed interior agricultural and connecting roads that allow farmers to reach their land and access their markets.

US Financing in Thousands of Dollars

West Bank and Gaza

294-008 Community Services Program	ESF
Through September 30, 2003	
Obligations	242,835
Expenditures	141,404
Unliquidated	101,431
Fiscal Year 2004	
Obligations	24,330
Expenditures	75,645
Through September 30, 2004	
Obligations	267,165
Expenditures	217,049
Unliquidated	50,116
Prior Year Unobligated Funds	
Obligations	9,843
Planned Fiscal Year 2005 NOA	
Obligations	1,430
Total Planned Fiscal Year 2005	
Obligations	11,273
Proposed Fiscal Year 2006 NOA	
Obligations	19,000
Future Obligations	6,000
Est. Total Cost	303,438

Data Sheet

USAID Mission:	West Bank and Gaza
Program Title:	Program Support Objective
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	294-009
Status:	Program Support Objective
Planned FY 2005 Obligation:	\$4,600,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$7,000,000 ESF
Year of Initial Obligation:	2005
Estimated Year of Final Obligation:	2009

Summary: This is a cross-cutting objective that is introduced to simplify the Mission's financial management services. In the past, individuals who serve all Strategic Objectives have been funded from each, leading to six separate funding and contracting actions need to manage their personal services contracts. Similarly, up to now, International Cooperative Administrative Support Services (ICASS) charges have been charged to each individual's contract. This has resulted in 55 separate financial transactions to fund what should be a single line.

The Project Support Objective will also support activities necessary for all Mission functions, notably the Project Support Unit, which manages visas, travel permits, USAID identification cards, and customs clearance for all Mission activities. It will also fund the Public Outreach Office, which publicizes USAID's efforts in support of Palestinians. This is an important outreach program as only a few Palestinians understand that USAID assistance comes from the U.S. Government.

Inputs, Outputs, Activities:

FY 2005 Program: Program Support (\$4,600,000 ESF). In 2005, the PSO is expected to manage \$4.6 million in support of other mission objectives. This includes \$800,000 for Public Outreach activities, \$1.8 million for staff salaries in support offices such as Financial Management, the Office of Assistance and Acquisition, and the Program Office. It also covers \$2 million in Mission program overhead, such as ICASS and Office rental, the security contract, and vehicle replacement.

FY 2006 Program: Program Support (\$7,000,000 ESF). 2006 activities are expected to be largely the same as the previous year, but the budget is expected to rise to \$7 million, including about \$2 million for public outreach.

Performance and Results: Since the activity will formally begin in 2005, there are few performance successes to report. The Project Support Unit, however, which is one of the activities supported by this objective, has had stunning successes in facilitating Mission business. The Mission is able to clear and move goods and materiel across both international borders and internal checkpoints better than any other donor--including the United Nations Relief and Works Agency--or private sector entity. Indeed, other donors have approached us requesting our assistance in moving their goods, which is beyond our mandate.

Similarly, the USAID identification cards issued to facilitate crossing checkpoints are very well received by the Israeli Defense Forces, and consequently reduced transit times. Indeed, early in the year the cards were so successful that there was an active forgery market. The Mission has therefore replaced all 800 cards with new, tamper-resistant versions that are very difficult to duplicate.

US Financing in Thousands of Dollars

West Bank and Gaza

294-009 Program Support Objective	ESF
Through September 30, 2003	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2004	
Obligations	0
Expenditures	0
Through September 30, 2004	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2005 NOA	
Obligations	4,600
Total Planned Fiscal Year 2005	
Obligations	4,600
Proposed Fiscal Year 2006 NOA	
Obligations	7,000
Future Obligations	0
Est. Total Cost	11,600